THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY): (a) No, Sir.

(b) Sanction of loans to corporate bodies by Financial Institutions and Banks is based upon their commercial judgement and project viability.

Bilateral Agreement Between India and France

3754. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to state:

(a) whether India and France are working on bilateral investment protection agreement to further encourage French investment and to give their economic and political relations a fresh impetus;

(b) whether French Foreign Minister visited India in the Month of May to discuss the investment proposals by the French Government;

(c) if so, to what extent the France has improved its investment in India during 1994-95:

(d) what are the areas on which the French investment has been more; and

(e) what are the agreements reached between India and France for improving trade relations between the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY): (a) Yes, sir.

(b) The French Foreign Minister visited India during April, 1994.

(c) and (d) No estimates about the quantum or areas of French investment in 1994-95 have been made.

(e) No trade agreement with France has been signed.

Credit Limit to Primary Weavers' Cooperatives

3755. SHRl G. PRATHAPA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the recommendations of the Inter-Ministerial Committee appointed by the Ministry of Textiles on 3rd September, 1992 at the instance of the Ministry of Finance, that the credit limits sanctioned to the Primary Weavers' Cooperatives by the "National Bank for Agriculture and Rural Development (NABARD)[1] be channelled through the branches of the Nationalised Banks, because of the several difficulties being experienced by the Weavers' Cooperatives to draw them through the District Co-operative Central Bank, is still with the Ministry of Finance;

(b) why the Weavers' cooperatives are tagged on to the District Cooperative Central Bank run by agriculturists, while the agricultural credit cooperatives are allowed to draw their requirement of borrowing from several sources; and

(c) the action proposed to be taken on the recommendation of the inter-Ministerial Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY): (a) and (c) The Inter-Ministerial Committee appointed by the Ministry of Textiles had, inter-alia, recommended that National Bank for Agriculture and Rural Development (NABARD) refinance be made available through Commercial banks for Primary Weavers' Cooperative Societies (PWCS). This recommendation has been examined in consultation with NABARD and Reserve Bank of India (RBI), who are not in favour of inducting commercial banks for financing PWCS. However, where financing by cooperative sector is considered inadequate alternative arrangements such as direct financing of societies by State Cooperative Banks (SCBs) could be thought of without disrupting the existing institutional arrangements. According to NABARD, there already exists a provision in its policy guidelines for SCBs to take up direct financing to PWCS in areas where the District Central Cooperative Banks (DCCBs) are weak.